

Program A: Office of Group Benefits

Program Authorization: R.S. 42:12 - 821,851,871-879

Program Description

The mission of the Office Group Benefits Program is to provide cost-effective, high-quality health, life and flexible benefit plans, distinguished by efficient and effective customer service. The goal of the State Group Benefits Program is to develop and explore a multitude of benefit options that will appeal to a diverse workforce. These options will include multi-priced plans, indemnity and manage care options as well as adding certain core dental and vision options to these plans.

The State Group Benefits Program provides the opportunity for eligible individuals to obtain group accident and health benefits and group life insurance geared to the needs of the plan members. The Office of Group Benefits administers this program and provides direction in developing cost containment features in order that an affordable group insurance program may be available to its plan members.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 32 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$76,357,677	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	683,835,081	709,843,155	709,843,155	712,179,195	711,664,846	1,821,691
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$760,192,758	\$709,843,155	\$709,843,155	\$712,179,195	\$711,664,846	\$1,821,691
EXPENDITURES & REQUEST:						
Salaries	\$10,922,702	\$10,264,159	\$10,264,159	\$10,633,727	\$11,611,028	\$1,346,869
Other Compensation	838,682	466,758	466,758	466,758	466,758	0
Related Benefits	2,278,628	2,674,750	2,674,750	3,136,580	3,145,862	471,112
Total Operating Expenses	8,839,681	6,899,714	6,873,134	6,953,052	5,372,734	(1,500,400)
Professional Services	3,072,799	2,808,961	2,808,961	4,040,848	4,040,848	1,231,887
Total Other Charges	733,490,494	684,940,213	684,966,793	685,194,264	685,273,650	306,857
Total Acq. & Major Repairs	749,772	1,788,600	1,788,600	1,753,966	1,753,966	(34,634)
TOTAL EXPENDITURES AND REQUEST	\$760,192,758	\$709,843,155	\$709,843,155	\$712,179,195	\$711,664,846	\$1,821,691
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	358	351	351	351	351	0
Unclassified	4	4	4	4	4	0
TOTAL	362	355	355	355	355	0

SOURCE OF FUNDING

This program is funded with Interagency Transfers from state agencies who participate in the Group Insurance program and from Self Generated Revenues including premiums collected from plan members and employees, as well as earnings of program funds.

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O..	DESCRIPTION
\$0	\$709,843,155	355	ACT 32 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$709,843,155	355	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$208,806	0	Annualization of FY 2001-2002Classified State Employees Merit Increase
\$0	\$208,806	0	Classified State Employees Merit Increases for FY 2002-2003
\$0	(\$2,676)	0	Risk Management Adjustment
\$0	\$1,753,966	0	Acquisitions & Major Repairs
\$0	(\$1,788,600)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$16,393	0	Legislative Auditor Fees
\$0	\$2,263	0	Maintenance of State-Owned Buildings
\$0	\$5,604	0	UPS Fees
\$0	\$1,680,258	0	Salary Base Adjustment
\$0	(\$553,701)	0	Attrition Adjustment
\$0	(\$1,346,869)	0	Salary Funding from Other Line Items
\$0	\$218,551	0	Group Insurance Adjustment
\$0	\$1,198	0	Civil Service Fees
\$0	(\$8,861)	0	Other Adjustments - Reduction in Printing Costs
\$0	\$1,231,887	0	Other Adjustments - Adjustment to Professional Services
\$0	\$194,666	0	Other Adjustments - Maintenance of Equipment Software
\$0	\$711,664,846	355	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$711,664,846	355	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O..	DESCRIPTION
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$711,664,846	355	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$466,667	Actuarial Services for rate calculations, claims projections, etc.
\$23,780	Legal services as deemed necessary by the agency
\$66,666	Legal and consulting services for a dispute with the Vernon Parish School Board
\$143,961	Medical assistance for the review of medical/psychiatric information to expedite processing of claims
\$20,000	Consulting Services to provide assistance with the agency strategic plan
\$150,000	Technical Assistance for computer/consulting services for Imaging
\$10,000	Consulting Services to host, design, update, and service an Worldwide Website.
\$49,000	Consulting Services for La Pharmacy benefits with project audit/analysis completion
\$1,250,000	Utilization Review - pre-certification of inpatient hospital confinements, case management, etc.
\$96,774	Consulting Services to develop an efficient and effective imaging system
\$20,000	Consulting Services to provide computer software services to assist OGB with its state cafeteria plan
\$20,000	Consulting Services to produce professional informational videos for OGB
\$1,724,000	Consulting Services to provide assistance with HIPPA compliancy
\$4,040,848	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$1,168,086	Cafeteria Plan Payments
\$965,000	Dependent Life Payments
\$123,740	Department of Insurance - audit of program
\$480,247,610	Health Claims Payments
\$88,462,504	Health Maintenance Organization Payments
\$1,000	Hospital Audit Fees
\$101,000	Legal Fees/Settlements
\$24,320,152	Life Claims Payments
\$315,000	Louisiana Health Insurance Association
\$18,750	Medical Necessity Review Organization
\$6,000,000	Mental and Nervous Disorder Claim Payments
\$83,013,405	Paid Prescriptions
\$100,420	Training
\$174,575	Risk Management Adjustment
\$146,519	Legislative Auditor expenses
\$16,470	Maintenance in State Owned Buildings
\$20,033	UPS Fees
\$1,198	Civil Service Fees
\$751,622	OTM Fees
\$685,947,084	SUB-TOTAL INTERAGENCY TRANSFERS
\$685,273,650	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$84,000	Four (4) replacement vehicles (\$21,000 each)
\$24,600	Office equipment including desks, FAX machines, and computer hutches.
\$45,366	Office equipment including chairs, computerized telephones, file cabinets, refrigerator, and tables
\$1,320,000	Hardware equipment including a scanner (\$1,000,000), NT Servers (\$80,000), and Routers (\$240,000)
\$280,000	Computers (100) and printers (20)
\$1,753,966	TOTAL ACQUISITIONS AND MAJOR REPAIRS